

CITY OF SANTA BARBARA
Activity and Interest Report
September 30, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

9/9 Federal National Mortgage Association (FNMA)	\$ 2,000,000
9/15 LAIF Deposit - City	1,500,000
9/16 LAIF Deposit - City	1,500,000
9/20 LAIF Deposit - City	1,000,000
9/21 Federal National Mortgage Association (FNMA)	2,000,000
9/21 LAIF Deposit - City	1,000,000
9/24 LAIF Deposit - City	2,000,000
9/28 LAIF Deposit - City	2,000,000
9/30 LAIF Deposit - City	1,500,000
Total	\$ 14,500,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

9/9 LAIF Withdrawal - City	\$ (1,000,000)
9/9 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
9/9 Federal National Mortgage Association (FNMA) - Call	(1,000,000)
9/16 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
9/17 Federal Home Loan Mortgage Corp (FHLMC) - Maturity	(2,000,000)
9/23 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
9/29 Federal Home Loan Bank (FHLB) - Maturity	(1,000,000)
Total	\$ (11,000,000)

ACTIVITY TOTAL

\$ 3,500,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 276,747
Amortization	(5,156)
SBB&T Sweep Account Interest	265
Total	\$ 271,856

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 6,201
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TOTAL INTEREST EARNED

\$ 278,057

CITY OF SANTA BARBARA
Summary of Cash and Investments
September 30, 2010

ENDING BALANCE AS OF AUGUST 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
State of California LAIF	\$ 35,000,000	0.513%	23.02%	1	(1)
Certificates of Deposit	4,000,000	1.500%	2.63%	261	
Federal Agency Issues - Coupon	102,941,133	2.590%	67.69%	1,010	
Corporate/Medium Term Notes	4,006,134	5.180%	2.63%	154	
	<u>145,947,267</u>	<u>2.133%</u>	<u>95.97%</u>	<u>724</u>	
SB Airport Promissory Note	6,124,300	7.000%	4.03%	6,877	
Totals and Averages	<u>\$ 152,071,567</u>	<u>2.329%</u>	<u>100.00%</u>	<u>972</u>	
SBB&T Money Market Account	3,212,215				
Total Cash and Investments	<u>\$ 155,283,782</u>				

NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2010 **\$ 2,199,001**

ENDING BALANCE AS OF SEPTEMBER 30, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
State of California LAIF	\$ 44,500,000	0.503%	28.61%	1	(1)
Certificates of Deposit	4,000,000	1.500%	2.57%	231	
Federal Agency Issues - Coupon	96,934,917	2.482%	62.31%	1,036	
Corporate/Medium Term Notes	4,005,194	5.180%	2.57%	124	
	<u>149,440,111</u>	<u>1.939%</u>	<u>96.06%</u>	<u>682</u>	
SB Airport Promissory Note	6,124,300	7.000%	3.94%	6,847	
Totals and Averages	<u>\$ 155,564,411</u>	<u>2.138%</u>	<u>100.00%</u>	<u>925</u>	
SBB&T Money Market Account	1,918,372				
Total Cash and Investments	<u>\$ 157,482,783</u>				

Note:

(1) The average life of the LAIF portfolio as of September 30, 2010 is 185 days .

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2010

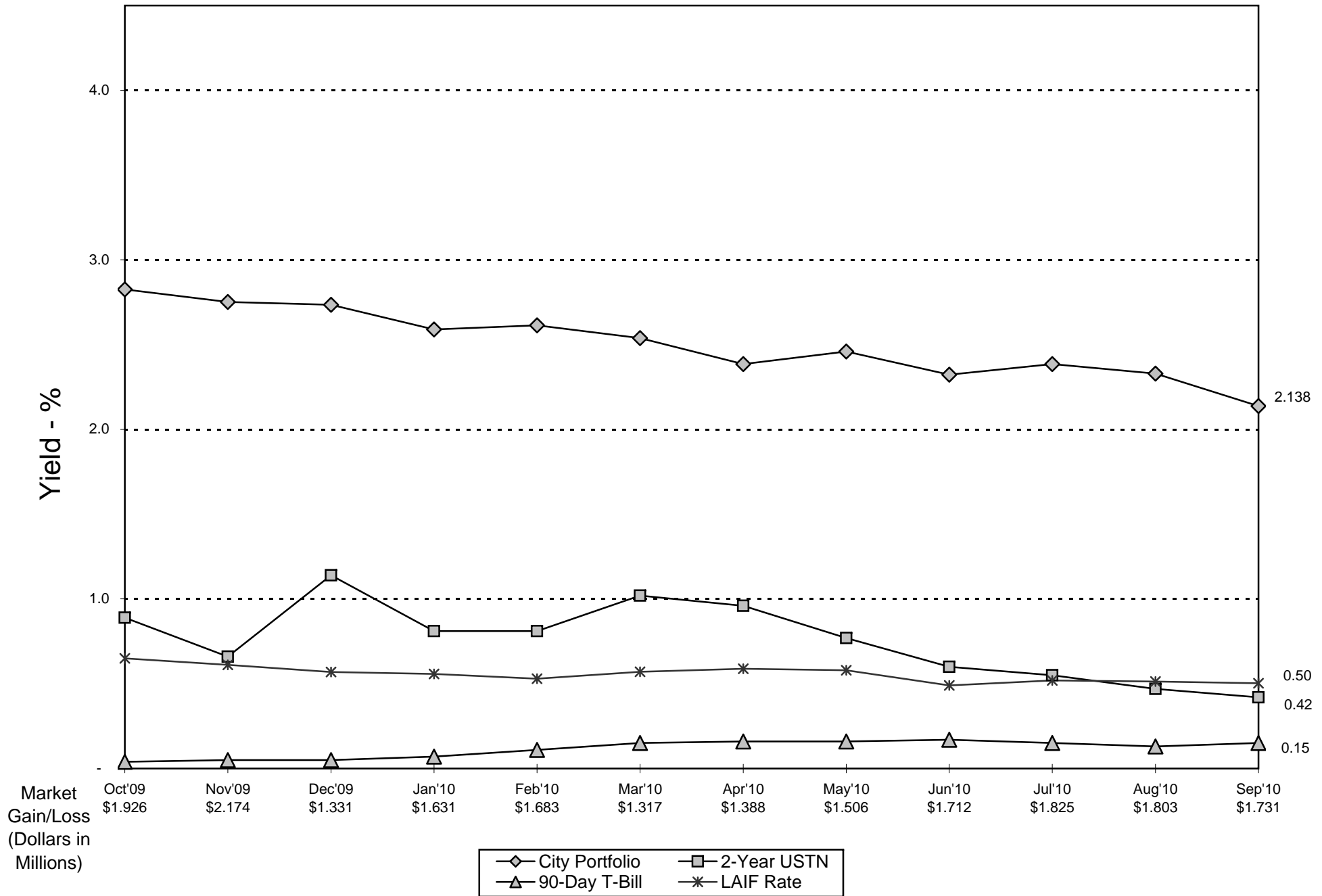
DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.503	0.503	29,500,000.00	29,500,000.00	29,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.503	0.503	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
Subtotal, LAIF							44,500,000.00	44,500,000.00	44,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/09	11/18/10	-	-	1.250	1.250	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
MONTECITO BANK & TRUST	11/18/09	11/18/11	-	-	1.750	1.750	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							4,000,000.00	4,000,000.00	4,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,003,923.03	2,054,380.00	50,456.97	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,001,880.00	1,880.00	Callable 10/14/10, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,003,964.17	2,033,120.00	29,155.83	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,041,250.00	41,250.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,090,940.00	90,940.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,073,130.00	73,130.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,054,690.00	54,690.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,014,380.00	14,380.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,008,120.00	8,120.00	Callable 12/01/10, then cont.
FEDERAL FARM CREDIT BANK	01/13/10	01/13/15	Aaa	AAA	3.180	3.180	2,000,000.00	2,000,000.00	2,016,570.00	16,570.00	Callable 01/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,998,808.35	2,070,630.00	71,821.65	Callable 04/09/12, once
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,003,022.84	2,065,940.00	62,917.16	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,991,232.10	2,028,440.00	37,207.90	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,762,397.43	1,799,611.50	37,214.07	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,070,940.00	70,940.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,016,880.00	16,880.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,012,190.00	12,190.00	SU 5%, Callable 06/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,041,374.05	2,137,190.00	95,815.95	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,047,190.00	47,190.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,016,260.00	16,260.00	Callable 03/30/11, once
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,070,940.00	70,940.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,994,838.41	2,035,310.00	40,471.59	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,053,440.00	53,440.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,997,999.46	2,011,570.00	13,570.54	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,117,973.70	2,209,060.00	91,086.30	

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2010

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,060,818.21	2,137,190.00	76,371.79	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,655.45	2,030,320.00	28,664.55	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,025,310.00	25,310.00	SU 2.0%-3.5% Call 07/14/11, then q
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,019,380.00	19,380.00	SU 3% callable 12/30/11, once
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,480.56	2,021,180.00	21,699.44	Callable 04/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,021,700.00	21,700.00	Callable 05/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,016,295.08	2,063,440.00	47,144.92	
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,023,740.00	23,740.00	Callable 05/13/11, once
FEDERAL HOME LOAN MTG CORP	10/28/09	10/28/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	2,003,960.00	3,960.00	Callable 10/28/10, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,948,958.47	2,013,940.00	64,981.53	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,885.55	1,010,470.00	11,584.45	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,003,000.00	3,000.00	Callable 10/29/10, once
FEDERAL HOME LOAN MTG CORP	06/30/10	06/30/15	Aaa	AAA	2.000	2.914	2,000,000.00	2,000,000.00	2,023,320.00	23,320.00	SU 2.0%-4.5%, Call 06/30/11, annua
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,020,310.00	20,310.00	Callable 03/18/11, once
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,024,690.00	24,690.00	Callable 07/07/11, once
FEDERAL NATL MORTGAGE ASSN	04/15/10	07/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	Callable 10/15/10, once
FEDERAL NATL MORTGAGE ASSN	05/24/10	06/24/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,017,190.00	17,190.00	Callable 06/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AAA	2.000	2.055	2,000,000.00	1,995,168.33	2,030,940.00	35,771.67	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,014,070.00	14,070.00	Callable 02/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/05/10	08/05/15	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,024,070.00	24,070.00	Callable 08/05/11, once
FEDERAL NATL MORTGAGE ASSN	09/09/10	09/09/15	Aaa	AAA	1.850	1.871	2,000,000.00	1,998,122.22	2,000,620.00	2,497.78	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	05/19/10	05/19/15	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,006,880.00	6,880.00	Callable 11/19/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,007,500.00	7,500.00	Callable 03/21/11, once
Subtotal, Federal Agencies							96,700,000.00	96,934,917.41	98,601,971.50	1,667,054.09	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,007,147.04	2,044,940.00	37,792.96	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,998,046.71	2,024,280.00	26,233.29	
Subtotal, Corporate Securities							4,000,000.00	4,005,193.75	4,069,220.00	64,026.25	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	6,124,299.81	6,124,299.81	6,124,299.81	0.00	
Subtotal, SBA Note							6,124,299.81	6,124,299.81	6,124,299.81	0.00	
TOTALS							155,324,299.81	155,564,410.97	157,295,491.31	1,731,080.34	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

INVESTMENT YIELDS



CITY OF SANTA BARBARA
Fiscal Agent Investments
September 30, 2010

	CASH & CASH EQUIVALENTS	Guaranteed Investment Contracts (GIC)	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
	Book & Market	Book & Market	Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
RESERVE FUNDS										
2004 RDA - Housing Bonds	-	-	-	-	-	-	-	-	-	-
2002 Municipal Improvement - Refunding COPs	6,709.27	547,530.00	-	-	-	-	-	-	554,239.27	554,239.27
2002 Water - Refunding COPs	9,206.92	1,088,268.76	-	-	-	-	-	-	1,097,475.68	1,097,475.68
1994 Water - Revenue Bonds	20,011.55	757,680.00	-	-	-	-	-	-	777,691.55	777,691.55
2002 Waterfront - Reference COPs	919,323.71	1,393,262.50	-	-	-	-	-	-	2,312,586.21	2,312,586.21
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	1,042,716.64	3,786,741.26	-	-	-	-	-	-	4,829,457.90	4,829,457.90
PROJECT FUNDS										
2001 RDA Bonds	3,224,157.15	-	-	-	-	-	-	-	3,224,157.15	3,224,157.15
2003 RDA Bonds	13,908,794.72	-	-	-	-	-	-	-	13,908,794.72	13,908,794.72
2004 Sewer Revenue Bonds	2,998,403.75	1,357,140.00	-	-	-	-	-	-	4,355,543.75	4,355,543.75
2009 Airport Bonds	29,075,174.57	-	-	-	-	-	3,100,000.00	3,216,343.00	32,175,174.57	32,291,517.57
Subtotal, Project Funds	49,206,530.19	1,357,140.00	-	-	-	-	3,100,000.00	3,216,343.00	53,663,670.19	53,780,013.19
Subtotal Bond Funds	50,249,246.83	5,143,881.26	-	-	-	-	3,100,000.00	3,216,343.00	58,493,128.09	58,609,471.09
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	87,270.11	-	234,610.67	250,653.89	371,474.70	371,212.05	-	-	693,355.48	709,136.05
	87,270.11	-	234,610.67	250,653.89	371,474.70	371,212.05	-	-	693,355.48	709,136.05
TOTAL FISCAL AGENT INVESTMENTS	50,336,516.94	5,143,881.26	234,610.67	250,653.89	371,474.70	371,212.05	3,100,000.00	3,216,343.00	59,186,483.57	59,318,607.14

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank, Bank of New York and Santa Barbara Bank & Trust